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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 27, 2000

APPLICATION OF

WOLF HILLS ENERGY, LLC

CASE NO. PUE990785

For Approval of a Certificate of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2 and an Exemption from Chapter 10 of Title 56

ORDER FOR NOTICE AND HEARING

On November 30, 1999, Wolf Hills Energy, LLC ("Wolf Hills" or "the Company"), filed an application with supporting testimony and exhibits requesting that the State Corporation Commission grant a certificate of public convenience and necessity under § 56-265.2 of the Code of Virginia for construction of an electric generating facility ("the Proposed Facility") consisting of five gas-fired turbine generator units with an aggregate nominal capacity rating of 250 megawatts. On January 24, 2000, the Company advised the Commission's Staff that it had completed compiling all Environmental Assessments to be submitted to various agencies and departments as part of a coordinated review process by the Department of Environmental Quality.

The Proposed Facility is to be located just outside of the Bristol, Virginia, city limits in the Bristol - Washington County Industrial Park in Washington County, Virginia. Wolf Hills also requests an exemption, pursuant to § 56-265.2 B of the Code of Virginia, from the provisions of Chapter 10 of Title 56.

Wolf Hills is a limited liability company organized under the laws of the state of Maryland. It would furnish electric generation service in Virginia as a "public utility" as defined in § 56-265.1(b) of the Code of Virginia. The Company is a wholly owned subsidiary of Constellation Power, Inc. Wolf Hills states that it anticipates all of the electricity produced by the Proposed Facility will be sold on a wholesale basis to Constellation Power Source, Inc., an affiliate under common ownership with Wolf Hills.

Wolf Hills anticipates the Proposed Facility would begin commercial operation by June 2001, and operate mostly during the months of June through September.

In its application, Wolf Hills states that the Proposed

Facility will have no material adverse effect upon the rates

paid by customers of any regulated public utility in Virginia,

nor upon reliability of electric service provided by any

regulated utility. The Company further states that the Proposed

Facility will be in the public interest by providing economic

development benefits to the surrounding area, enhancing the competitive market for wholesale electricity in Virginia, and potentially providing future electricity capacity to the Bristol area and elsewhere.

According to its application, Wolf Hills has applied to the Virginia Department of Environmental Quality for an operating air permit for the Proposed Facility. The Company states the air permit sought will restrict the Proposed Facility's operating hours in order to stay below the annual 250 ton limitation for nitrogen oxide (NOx), carbon monoxide (CO), and other major criteria pollutants, which will eliminate its need to obtain a Prevention of Significant Deterioration permit.

NOW THE COMMISSION, having considered Wolf Hills' application, is of the opinion and finds that: Public notice of the application should be given and a public hearing on the application should be scheduled; and the Commission's Staff should investigate Wolf Hills' proposal and present its findings to the Commission. Accordingly,

IT IS ORDERED THAT:

(1) Wolf Hills' application for a certificate of public convenience and necessity is docketed and assigned Case
No. PUE990785.

- (2) Pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure ("Rules"), a Hearing Examiner is appointed to conduct all further proceedings in this matter.
- (3) A public hearing for the purpose of receiving evidence relevant to the application is scheduled for April 27, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.
- (4) Wolf Hills shall make a copy of its application, and all materials it may subsequently file in this proceeding, available for public inspection during regular business hours at the Bristol Virginia Utilities Board, 300 Lee Street, Bristol, Virginia 24201.
- (5) Beginning on or before February 10, 2000, the Company shall cause the following notice to be published as display advertising (not classified) once a week for two (2) consecutive weeks in newspapers having general circulation in the City of Bristol and its surrounding area:

NOTICE TO THE PUBLIC OF
AN APPLICATION BY WOLF HILLS ENERGY, LLC,
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY TO CONSTRUCT AN
ELECTRIC GENERATION FACILITY
IN WASHINGTON COUNTY, VIRGINIA
CASE NO. PUE990785

On November 30, 1999, Wolf Hills Energy, LLC, ("Wolf Hills" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") requesting authority to construct an electric generating facility ("the Proposed Facility") consisting of five gas-fired turbine generator units with an aggregate nominal capacity rating of 250 megawatts, to be located just outside of the Bristol, Virginia, city limits in the Bristol - Washington County Industrial Park in Washington County, Virginia. Wolf Hills also requests an exemption, pursuant to § 56-265.2 B of the Code of Virginia, from the provisions of Chapter 10 of Title 56.

A public hearing to hear evidence relevant to Wolf Hills' application will be convened on Thursday, April 27, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

A copy of the application is available for public inspection between the hours of 8:15 a.m. and 5:00 p.m. in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, and at the Bristol Virginia Utilities Board, 300 Lee Street, Bristol, Virginia 24201, during its regular business hours, or can be ordered from Wolf Hills' counsel, Richard D. Gary, Esquire, Hunton & Williams, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Any person desiring to comment in writing on Wolf Hills' application may do so by directing such comments on or before March 14, 2000, to the Clerk of the State Corporation Commission at the address set forth below.

Any person desiring to make a statement at the public hearing concerning Wolf Hills' application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself as a public witness to the Commission's Bailiff.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

On or before February 28, 2000, any person desiring to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rules") shall file with the Clerk of the Commission, at the address set forth below, an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a), and shall serve a copy of the same on Wolf Hills' counsel at the address set forth above.

Any person participating as a Protestant pursuant to Rule 4:6 shall file with the Clerk of the Commission, on or before March 14, 2000, an original and fifteen (15) copies of its Protest as provided in Rule 5:16(b), together with its prepared testimony and exhibits the Protestant intends to present at the hearing, and shall simultaneously serve a copy thereof on Wolf Hills' counsel and to any other Protestants. Any corporate entity that wishes to submit evidence, crossexamine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirement of Rule 4:8 of the Commission's Rules.

All written communications to the Commission concerning Wolf Hills' application should be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE990785.

WOLF HILLS ENERGY, LLC

- (6) On or before February 8, 2000, the Company shall serve a copy of its application and this order, by personal delivery or by first-class mail, postage prepaid, to: The Honorable John Paul Woodley, Jr., Secretary of Natural Resources, P.O. Box 1475, Richmond, Virginia 23218; Dennis H. Treacy, Director, Department of Environmental Quality, P.O. Box 10009, Richmond, Virginia 23240-0009, and to each investor owned and cooperative electric utility in Virginia as listed in the attachment to this order.
- (7) Any person desiring to comment in writing on Wolf
 Hills' application may do so by directing such comments on or
 before March 14, 2000, to the Clerk of the State Corporation
 Commission, c/o Document Control Center, P.O. Box 2118,
 Richmond, Virginia 23218. Comments must refer to Case
 No. PUE990785. Any person desiring to make a statement at the
 public hearing concerning the application need only appear in
 the Commission's second floor courtroom at 9:45 a.m. on the day
 of the hearing and identify himself or herself to the Bailiff as
 a public witness.
- (8) On or before February 28, 2000, any person desiring to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant as defined in Rule 4:6 of the Commission's Rules shall file with the Clerk of the Commission, at the address set forth above, an original and

- fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a), and shall serve a copy of the same on Wolf Hills' counsel, Richard D. Gary, Esquire, Hunton & Williams, 951 East Byrd Street, Richmond, Virginia 23219-4074. The Notice of Protest shall refer to Case No. PUE990785.
- (9) On or before March 14, 2000, any person participating as a Protestant pursuant to Rule 4:6 shall file with the Clerk of the Commission, an original and fifteen (15) copies of its Protest, together with its prepared testimony and exhibits the Protestant intends to present at the hearing, referring to Case No. PUE990785, and shall simultaneously serve a copy thereof on Wolf Hills' counsel and to any other Protestants. The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirement of Rule 4:8 of the Commission's Rules.
- (10) The Commission Staff shall analyze Wolf Hills' application and, on or before April 6, 2000, it shall file with the Clerk of the Commission an original and fifteen (15) copies

of the prepared testimony and exhibits it intends to present at the public hearing.

- (11) On or before April 19, 2000, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies of any testimony it expects to introduce in rebuttal to any direct prefiled testimony of Staff and Protestants.
- (12) At the commencement of the hearing scheduled herein, Wolf Hills shall provide to the Commission proof of the notice and service required by ordering paragraphs (5) and (6) herein.
- (13) The Company and Protestants shall respond to written interrogatories or data requests within seven (7) days after the receipt of such requests. The Company and Protestants shall provide any workpapers or documents used in preparation of their prefiled testimony, promptly upon request. Except as so modified herein, discovery shall be in accordance with Part VI of the Rules.